

OGC 77-0906  
8 February 1977

MEMORANDUM FOR : A/DDA

FROM : [REDACTED]  
Associate General Counsel

STATINTL

SUBJECT ; CIA Administrative Support for IC Staff

1. You have requested the opinion of this Office concerning the questions raised by Mr. McMahon in his memorandum of 28 January to the ADCI entitled "Administrative Support." Mr. McMahon requests the ADCI to "authorize the Central Intelligence Agency to perform certain routine administrative functions without reimbursement on behalf of the Intelligence Community Staff." His letter then specifies certain personnel and other administrative services which would be performed by CIA without reimbursement. [REDACTED] in forwarding the letter to the DDA, suggests the need for certain additional services. Mr. McMahon also requests that IC Staff personnel be permitted to participate in such Personnel programs "as the Northwest Federal Credit Union, the Employee Activity Association, etc."

STATINTL

2. There would seem to be no question but that CIA may perform the indicated services under the authority of the Economy Act, the CIA Act and perhaps other statutes. The question thus is whether the services may be performed without reimbursement. Indeed since the 1977 Appropriations Act for the Department of Defense includes a simple specific appropriation in the amount of [REDACTED] for "necessary expenses for intelligence community oversight," the question is whether services for the IC Staff may be funded by other than that appropriation. The question arises in part from the provision of the conference report accompanying the Act that there "is to be no augmentation of this appropriation, except by supplemental appropriations."

STATINTL

3. The conference report and other legislative history documents accompanying the Act indicate that the purpose of the separate and specific appropriation for intelligence community oversight is to achieve

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independence for the Intelligence Community Staff. It is understood the purpose and desire in achieving independence is to prevent the Intelligence Community Staff from being dominated by CIA, which we believe must contemplate substantive dominance by CIA. The legislative history, although not entirely clear on the point, on balance indicates an intention that the administrative and related services which a government entity requires are not to be funded from the appropriation for intelligence community oversight. Indeed, the exchange of correspondence between Mr. Bush and the chairmen of the Appropriations Committees in September 1976 is clear that administrative services of that nature are to be provided for the Intelligence Community Staff without charge against that appropriation. Moreover, this construction is consistent with the budget process leading to the 1977 appropriations, i.e., CIA administrative components generally did not reduce their budget estimates in contemplation that administrative services needed for the IC Staff would be funded by the IC appropriation. Similarly, the IC Staff budget presentation did not provide for these administrative services. The determination of the specific services to be funded by the oversight appropriation, and those by the general CIA appropriation, thus would be based on the budget presentations from which the two appropriations followed. The former would include IC Staff salaries, travel costs, etc. The administrative services budgeted by CIA administrative components (Personnel, Security, Logistics, etc.) would not be charged to the oversight appropriation.

4. Mr. McMahon's letter refers also to the need to permit IC Staff personnel to participate in the Northwest Federal Credit Union, Employee-Activity Association, etc. Not mentioned, but certainly of paramount importance also, would be IC Staff personnel participation in the Government Employees Health Association, Inc. These three entities of course are separate and distinct entities with a legal existence of their own and in law are not subject to direction by CIA. Thus, if there were a problem in this area, it would be necessary that the three entities be asked to revise their membership requirements to permit membership, and the availability of benefits, by IC Staff personnel. But since, as indicated, the IC Staff is a component of CIA, its personnel are personnel of CIA and are entitled to the benefits which employment by CIA confers.

STATINTL

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**Congress of the United States**  
**House of Representatives**  
**Committee on Appropriations**  
 Washington, D.C. 20515

September 27, 1976

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 2-2775

Honorable George Bush  
 Director  
 Central Intelligence Agency  
 Washington, D. C. 20505

Dear Mr. Bush:

" This is in response to your letter of September 15, 1976 with regard to the financing of the Intelligence Community Staff. As was stated in the conference report, it is the intent of the Committee and of the Congress that the Intelligence Community Staff have sufficient resources to be independent of the various organizations that comprise the intelligence community. The purpose of the Intelligence Community Staff could not be realized if the staff were to be unduly influenced or controlled by any part of the Intelligence community.

In your letter you point out that in normal day to day business, it is customary for government agencies to receive some kinds of minor assistance from other government agencies without reimbursement therefor. The guidelines for the financial operation of the Intelligence Community Staff should be those guidelines followed by other independent government organizations. Certainly, the Committee does not wish to impose undue administrative hardships or to indulge in minutia. We must, however, insist that the normal day to day cost of operating the Intelligence Community Staff be funded in budgets and from appropriations for the Intelligence Community Staff. Of course, very minor routine services could be accepted from other agencies but this should not be construed in such a way as to fund any meaningful part of the cost of operation of the Intelligence Community Staff with funds other than those

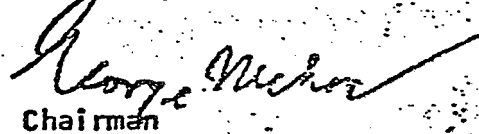
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specifically appropriated for that purpose. As I stated on the Floor of the House during consideration of the conference report on the Defense Appropriation Bill, services such as legislative liaison and general counsel are not considered to be routine.

I am fully aware of and appreciative of your personal commitment to total objectivity in all intelligence reports, estimates and actions. It is our desire to assist you in this matter by establishing administrative machinery which reflects this commitment.

Sincerely,

  
Chairman